

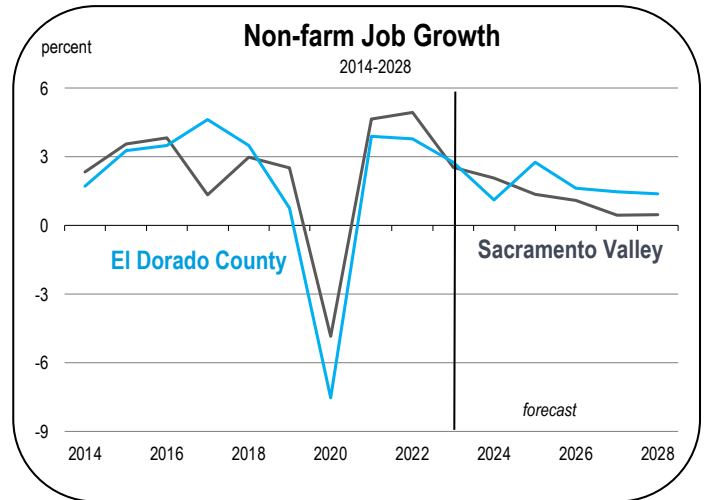
El Dorado County Economic Forecast

Forecast Summary

- Just over 2,100 non-farm jobs were gained in El Dorado County during 2022. During 2023, the county's labor market will add another 1,600 jobs to total employment.
- Employment gains in 2023 will be largest in healthcare services, which will number 600 jobs. The second largest job market in terms of job gains will be the public sector with 280 new jobs in 2023.
- The unemployment rate averaged 3.4 percent in 2022. It is expected to average 3.9 percent in 2023.
- Population growth will be less than the region-wide average over the forecast period.
- Tourism at Lake Tahoe is a principal economic driver for the County. The largest city is South Lake Tahoe which received over 700 inches of snow during the 2022-2023 ski season. The average snowfall per year is 400 inches.
- A new development surge is now underway in the county. There are 3 large specific plans in the planning phase, and one is in the developmental phase.

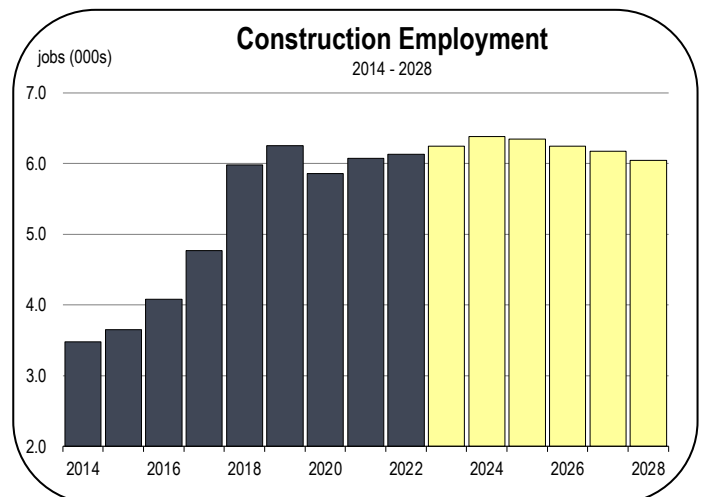
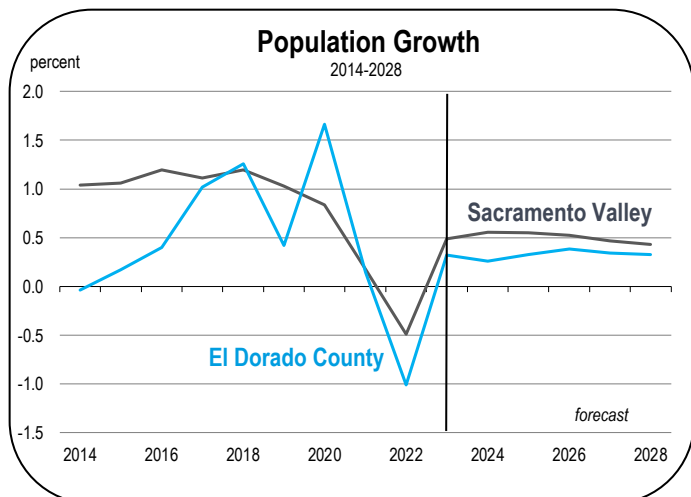
Job Growth

- Total employment in El Dorado County increased 3.8 percent in 2022 with the addition of 2,130 jobs. Job gains in 2023 are expected to number 1,650 representing growth of 2.8 percent.
- Between 2024 and 2028, job growth will average 1.7 percent per year resulting in over 5,200 jobs during that time.

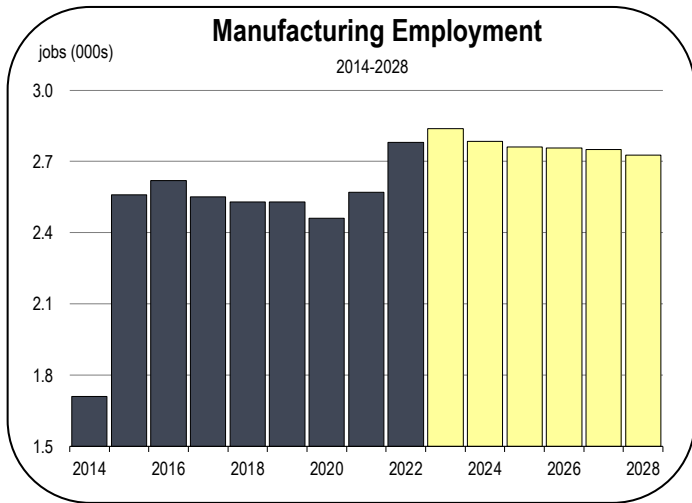


Construction Employment

- New development projects in recent years have driven construction job growth especially since 2018.
- Construction employment increased 1.0 percent in 2022 with the creation of 60 jobs.
- The sector is on pace to add 115 new jobs in 2023 representing 1.9 percent job growth.
- The Bass Lake Hills specific plan with a build-out of nearly 1,500 homes is underway. Sugar Pine Village in South Lake Tahoe is also underway and will deliver 248 affordable units in 2023.
- Employment in construction is forecast to increase 2.1 percent in 2024 with the addition of 135 jobs.
- Job consolidation will occur in 2025-2028 with an anticipated loss of 333 jobs.



El Dorado County Economic Forecast



Manufacturing Employment

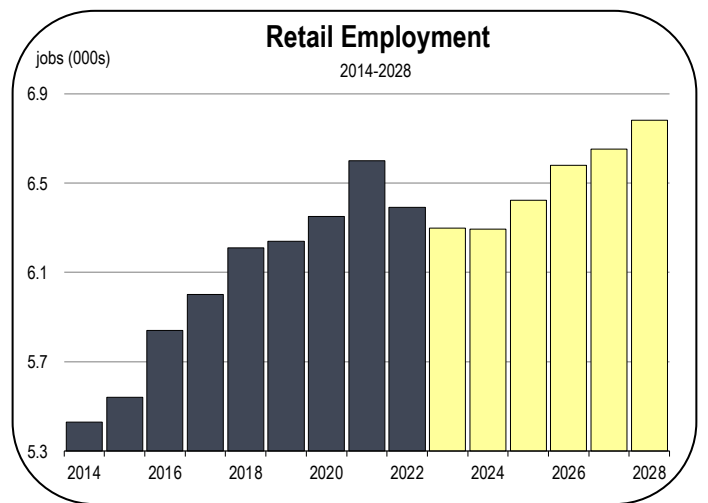
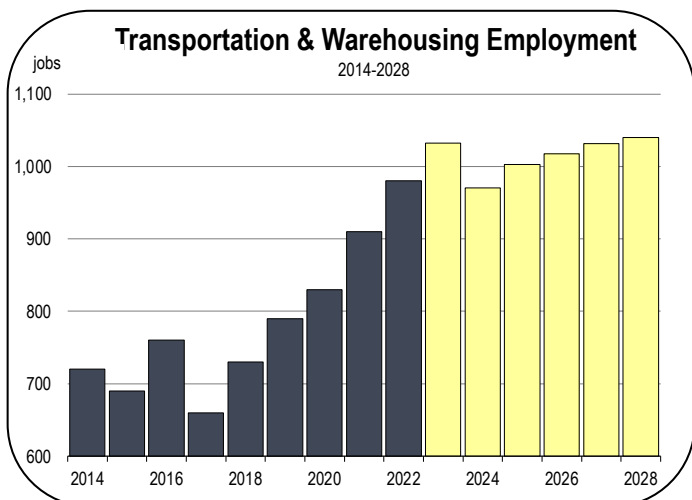
- The industry is diverse ranging from electronics, aerospace, prototype, and assembly to food processing.
- Manufacturing employment in El Dorado County grew 8.2 percent in 2022 with the addition of 210 jobs. The sector is on pace to add 60 jobs in 2023 representing annual growth of 2.1 percent.
- Moderate job consolidation is expected between 2024-2028 with an anticipated loss of 110 jobs.

Transportation and Warehousing Employment

- Transportation employment increased by 70 jobs in 2022 and is on pace to add 50 jobs in 2023. The outlook calls for some volatility in the industry and will result in zero net employment gains over the duration of the forecast period.

Retail Trade Employment

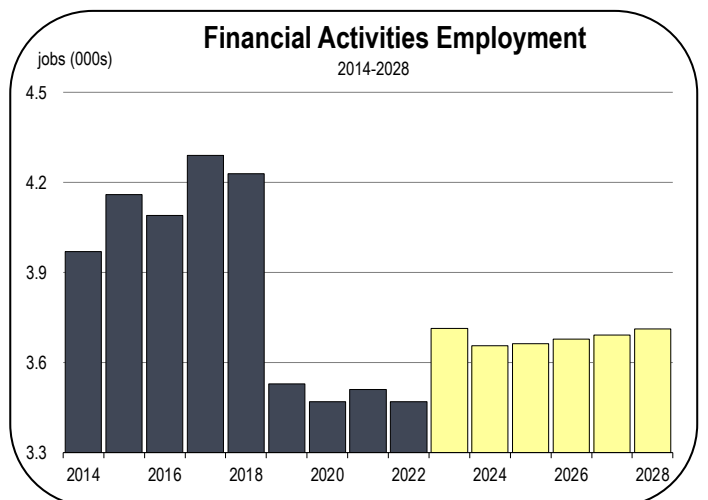
- The substitution by consumers to purchase goods online over local retail stores is causing disruption in the retail trade labor market.



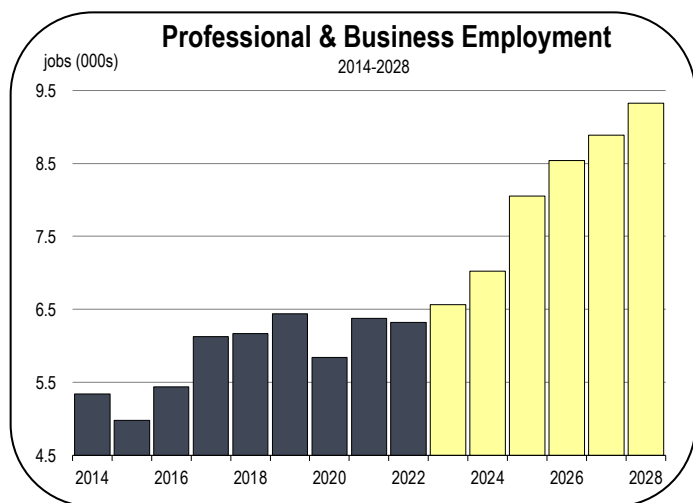
- Retail employment fell 3.2 percent in 2022 with the loss of 210 jobs. The county is on pace to lose another 100 retail jobs in 2023.
- Unlike other counties, however, retail sector jobs are expected to increase in 2025-2028 because of (1) increasing growth of the visitor industry in South Lake Tahoe, and (2) new development of residential communities which will be supported by retail shops, grocery stores, and other merchandise outlets.

Financial Activities Employment

- The Blue Shield office in El Dorado Hills accounts for half of all jobs in the financial activities sector. Blue Shield is also El Dorado County's largest private employer.
- Financial activities employment fell 1.1 percent in 2022 with the loss of 40 jobs.
- In 2023 the sector is on pace to add 250 jobs representing a 7.0 percent increase.
- Financial activities employment is expected to decrease by 60 jobs in 2024, but regain all of them by the end of the forecast period.

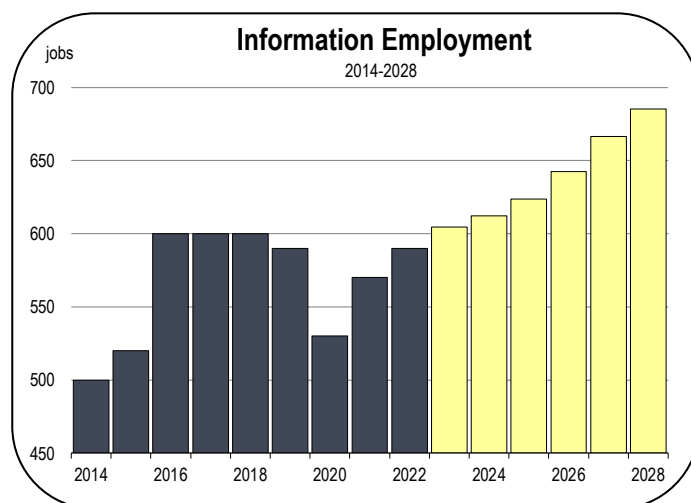


El Dorado County Economic Forecast



Professional and Business Services and Healthcare Employment

- Professional business services address the demands of an expanding population, and healthcare addresses the demands of an aging population. Currently, 26 percent of the population is aged 65 or over. It will rise to 29 percent by 2030.
- Healthcare and leisure and hospitality are the largest private sectors of employment in the county. The largest healthcare provider is Barton Memorial Hospital in South Lake Tahoe with 1,100 employees.
- While professional and business activities employment incurred a loss of 60 jobs in 2022, the sector is on pace to add 250 jobs in 2023. Furthermore, the sector is forecast to average 7.3 percent growth annually that will result in 2,800 new jobs over the forecast period.
- The professional and business activities job market will contribute more to new employment than any other sector over the forecast period.
- The healthcare job market gained 200 jobs in 2022 representing 2.2 percent growth.
- The forecast for healthcare employment remains auspicious over the next five years. The sector is on pace to grow 7.0 percent in 2023 with the addition of 600 new jobs, and enjoy average annual growth of 3.5 percent with the addition of 1,750 jobs between 2024-2028.



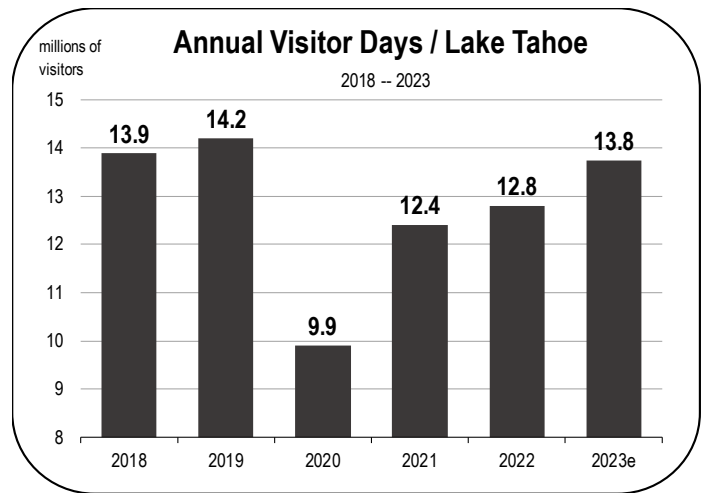
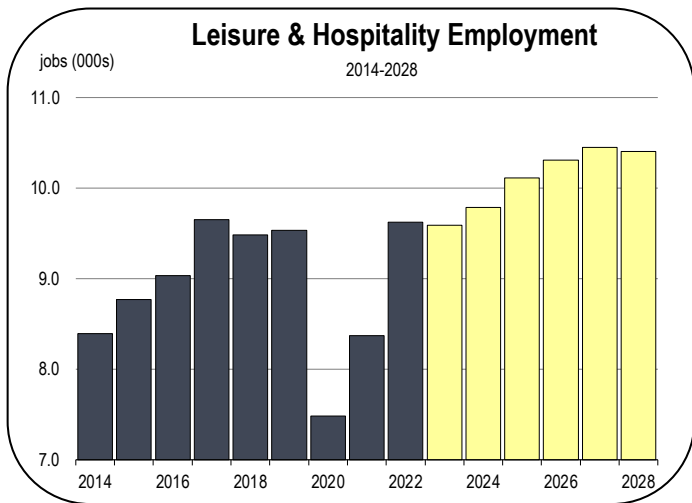
Information Employment

- In El Dorado County, the information sector is largely comprised of telecommunications companies like Comcast, software publishers, local newspapers, and data/Internet services.
- Software publishing and data/Internet services are expected to generate new jobs over the forecast period, but declines are anticipated in most other subsectors.
- Due to these countervailing forces, few jobs are forecast for the information sector over the foreseeable future. The sector added 20 jobs in 2022 and is on pace to add 15 more in 2023. An additional 80 job opportunities are expected between 2024-2028.

Leisure and Hospitality Employment

- Leisure, hospitality and recreation accounts for 16 percent of all non-farming jobs in the county. In the broader metro labor market which include Sacramento, Yolo, and Placer Counties, it accounts for less than 10 percent of all jobs.
- Tourism activity and hotel occupancy rates were strong in 2022 contributing to 14.9 percent growth in leisure services employment. This translated to 1,250 new jobs in the sector.
- The sector is on pace to lose 30 positions in 2023 and resume average annual growth of 1.6 percent resulting in over 800 new jobs between 2024-2028.

El Dorado County Economic Forecast



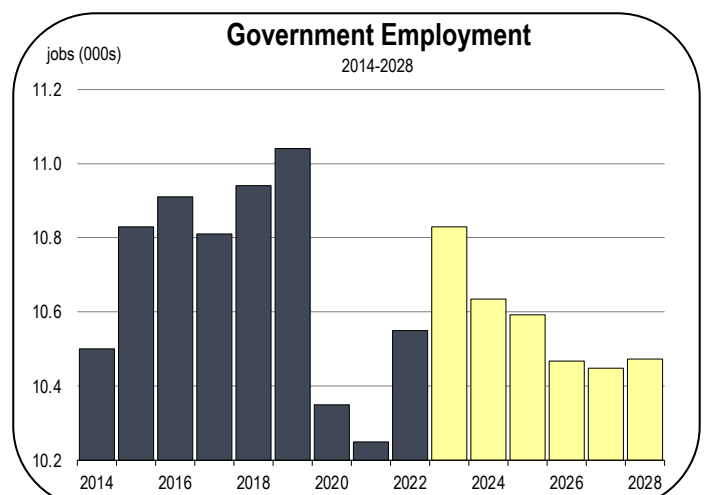
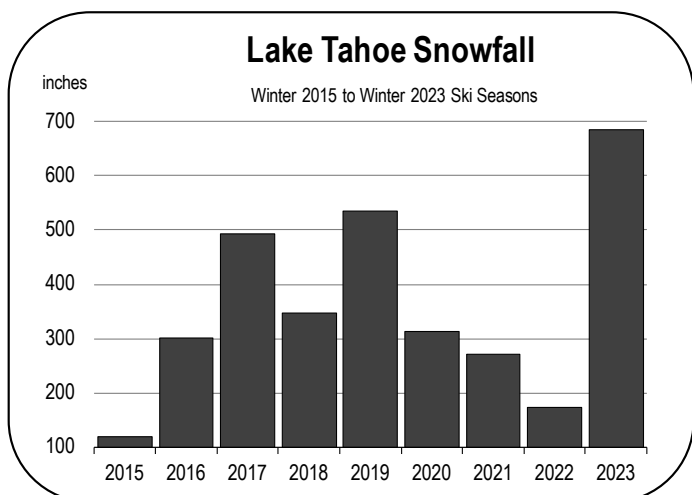
Lake Tahoe

- South Lake Tahoe is the principal commerce area of El Dorado County, and the area will remain a major winter and summer destination for California visitors.
- The 2022-2023 season was prolific for the resort area. A total of 723 inches of snowfall was recorded. This was a record volume of snow for a single skiing season.
- In 2022, total visitor days reached 16.9 million, a 400,000 increase from 2021, and total tourist visitor days reached 12.8 million. Visitor spending exceeded the preceding years spending, with the largest direct spending category being non-casino hotels, with \$1.63 billion.
- For the 2023-2024 season, the Heavenly Ski Resort opened on November 17. More than three feet of snow fell in early November allowing the resort to open five days earlier than what was initially planned.

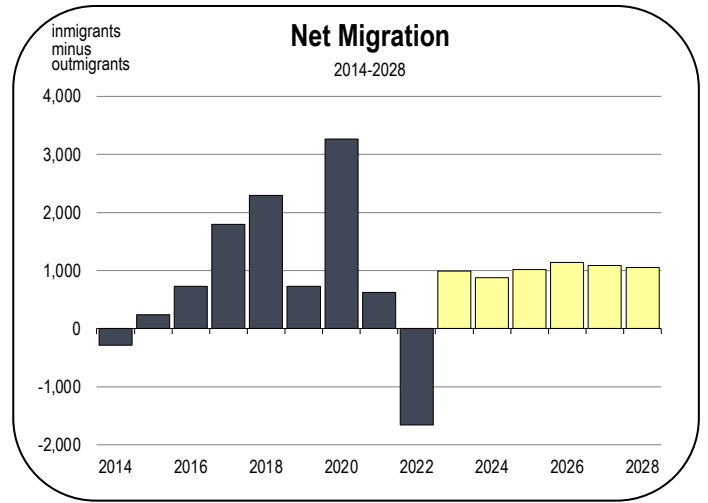
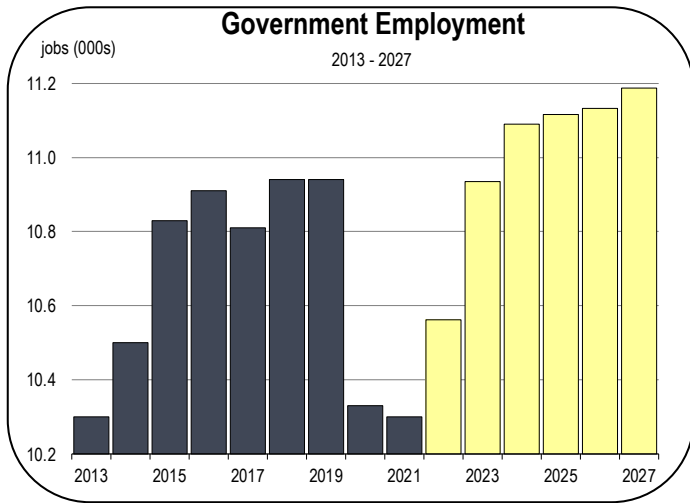
- The historic Camp Richardson Resort is a major employer in the County, along with the Marriott Timber Lodge / Grand Residences and the Beach Retreat and Lodge.
- Camp Richardson has 33 hotel/motel rooms, 43 cabins, 200 tent campsites, and 100 RV sites. The Marriott has 264 rooms and the Beach Retreat is the second largest in South Lake Tahoe with 261 lakefront rooms.

Government Employment

- The public sector accounts for 18 percent of all wage and salary jobs in the county.
- The surge in K-12 enrollment since 2020 has necessitated strong demand for teachers and staff within the local schools.
- Public sector employment increased 2.9 percent in 2022 with the addition of 300 jobs. The sector is on pace to add another 280 positions in 2023.



El Dorado County Economic Forecast



• Despite a rising population and expanding new development in the county, the public sector is forecast to decrease employment on average 0.7 percent during the forecast period resulting in 350 lost jobs. 200 of those jobs will be lost in 2024.

Largest Employers in 2023	Jobs
El Dorado County	1,850
El Dorado Union High School District	634
El Dorado County Sheriff	275
Lake Tahoe Community College	255
Ok Ridge High School	200

Total enrollment at Lake Tahoe Community College is 4,048 students.

Population Growth

• The growth of population in El Dorado County, when it occurs, will be entirely attributable to relocating populations as the natural population growth rate will be negative for the foreseeable future.

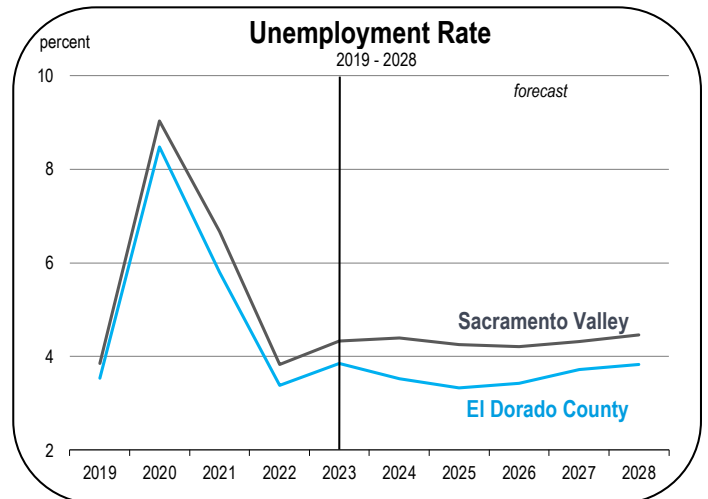
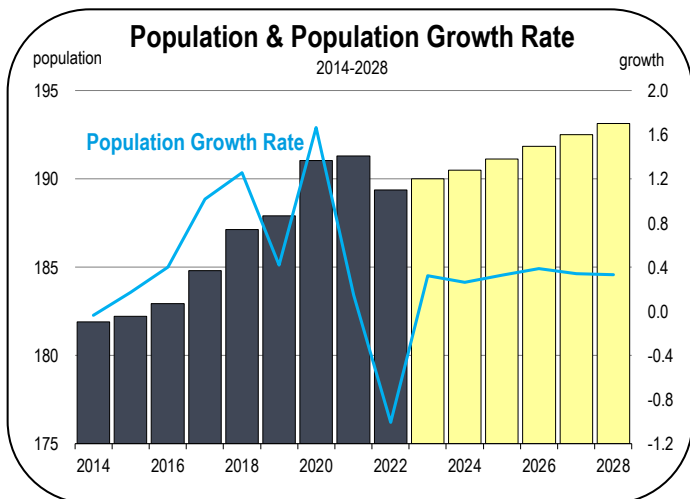
• For the first time since 2014, net in-migration was negative in 2022 as the county lost 1,650 residents leading to a population decline of over 1,900 people.

• The average annual net in-migration is forecast to be greater than 1,000 between 2023-2028 as more urban residents vacate the cities for inland destinations in California, including El Dorado Hills and South Lake Tahoe.

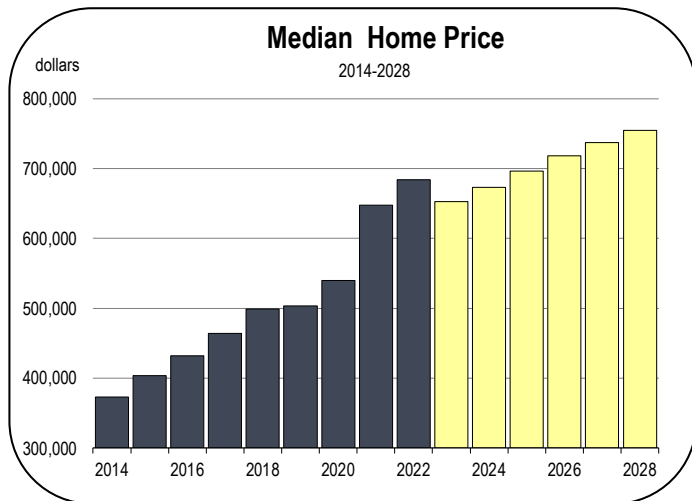
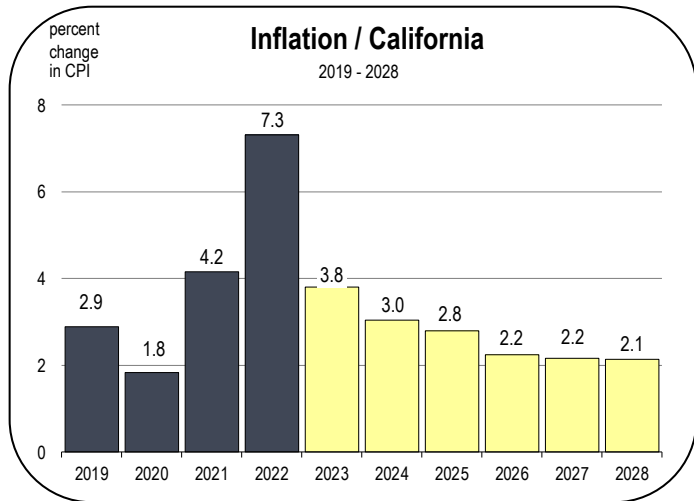
• Traditionally, most net migration into El Dorado County originates from Sacramento County. Placer County is second.

• Santa Clara, Alameda, and Contra Costa Counties are also principal contributing sources of local population growth.

• County population growth will average 0.33 percent per year between 2023-2028 resulting in the population increasing by 3,800 to over 193,000—a county record. The county’s population is forecast to continue increasing through 2041 to over 197,000 people.



El Dorado County Economic Forecast

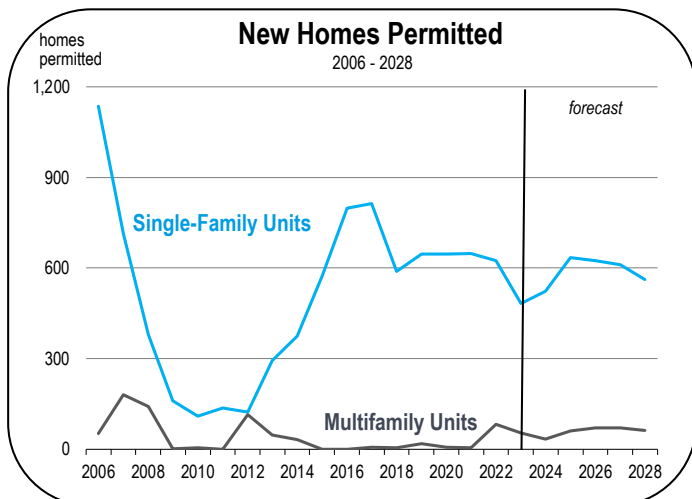


Unemployment and Inflation Rates

- The unemployment rate in El Dorado County averaged 3.4 percent in 2022 and will average 3.85 percent in 2023 and 3.6 percent annually between 2024-2028.
- An unemployment rate below 5.0 percent signifies a fully employed workforce in El Dorado County.
- Inflation in California, including Sacramento Valley, soared to 7.4 percent in 2022, but is expected to decelerate in 2023 to 3.8 percent due largely to declining energy costs, the restoration of supply chains, and stagnant housing costs.
- Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2023.
- The rate is forecast to continuously decelerate over the forecast period as the labor force is restored, interest rates subside, and wage inflation is contained.
- A risk to the forecast is whether Congressional spending will subside. During 2021 and 2022, this was a principal contributor to the surge of inflation nation-wide. Another risk is whether the economic slowdown will moderate the demand for labor, leading to lower wage inflation.
- Average general inflation rates eventually decline to 3 percent again by 2024.

Home Prices and New Housing Production

- The median home price in El Dorado County increased 5.6 percent in 2022 to \$684,000. Home values are on pace to fall 4.6 percent to \$652,000 in 2023 and appreciate at an average annual rate of 3.0 percent between 2024-2028
- Homes in El Dorado County are more affordable than homes across California, especially Coastal California.
- In El Dorado County, the typical household spends less than 30 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California the typical household spends 35 to 50 percent of income on housing costs.
- Development of homes and commercial structures had been relatively austere in El Dorado County since the Great Recession. However, development pressures have been building since 2015, and there is now a surge of development proposals in the County.

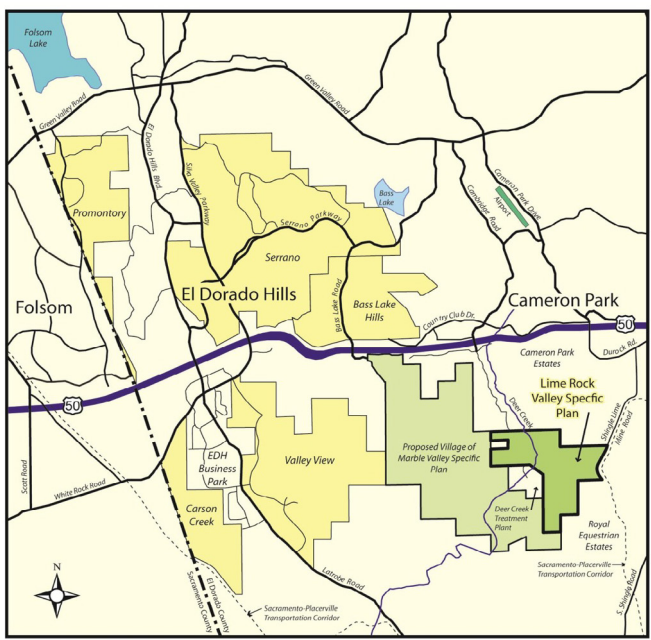


El Dorado County Economic Forecast

New Development in El Dorado

Lime Rock Valley

- The Lime Rock Valley Specific Plan is part of a proposed regional community plan for currently undeveloped infill properties within the El Dorado Hills and Cameron Park. The planning includes 740-acres located south of Highway 50 in West El Dorado County. The proposed land use calls for 800 residential units, 314 acres of open space, and 14 acres of park land.



Lime Rock is adjacent to Marble Valley

Village of Marble Valley

- This proposed development of 2,341 acres of land lies between El Dorado Hills and Cameron Park. The project calls for 3,236 units and 475,000 square feet of commercial use.
- If approved the specific plan would take 20 to 30 years to complete. A draft EIR is being prepared at this time

Carson Creek and Creekside

- These projects would build 1,925 and 800 units respectively in El Dorado County area. Both projects are in their first stages of planning with community pushback in the form of petitions to stop the projects.
- The County's General Plan would need amending to allow for high and medium density single family residential development.

Project Frontier Distribution Center, El Dorado Hills

- 4.8 million square feet of warehouse/industrial space is proposed adjacent to El Dorado Hills Business Park. The development plan includes two buildings and 1,500 to 2,000 jobs would be created if the project goes forward. The planning advisory committee of El Dorado Hills will provide feedback on the project to the planning commission and county supervisors. The project is being met with backlash by the community.

Town and Country Village

- An Environmental Impact Report (EIR) is underway for the Town and Country Village El Dorado project.
- The Project Development Area consists of the northernmost and southernmost 30 acres of the project site, and would be developed with two 150 room hotels, retail services, two restaurants, a museum, an event center, associated parking, 56 residential cottages for employee housing, and an additional 56 residential cottages that may be rented on a daily or extended stay basis.
- A second project site of the development consists of the central and easternmost 30 acres of the project site; it may include further developments in the future such as additional hotels, medical facilities, senior housing, townhomes and cottages, and other uses allowed by the proposed zoning districts.
- The project will require a General Plan Amendment so that the entire project can be included in the El Dorado Hills Community Region. The proposed project would also require a rezoning from RE-10 to Community Commercial.

El Dorado County Economic Forecast

Sugar Pine Village

- The City of South Lake Tahoe has approved the building of the Sugar Pine Village project. The Sugar Pine Village project is a 248-unit affordable housing project. This project originates from an executive order from Governor Gavin Newsom.
- It is a new residential, mixed-use affordable community that compliments the existing neighborhood. The project will be designed to provide residents with new high quality, sustainable housing designed to support active transportation, encouraging biking, walking, access to transit, and connection with nearby trails for the local workforce and their families.
- Phase one includes 12 studios, 12 one-bedroom, 23 two-bedroom, and 21 three-bedroom units
- The developer is Related California and St. Joseph Community Land Trust. Sugar Pine Village is the second excess sites project to break ground under the Governor's Executive Order and is the largest multifamily housing project ever to be entitled in South Lake Tahoe. The full 248-unit project received full environmental clearances and permitting in just 6 months by utilizing Senate Bill 35 ministerial approvals.
- The project started construction in October of 2022. Phase 1 is 68 apartment units and Phase 2 is 60 units. Occupancy is planned for September 2024.

Montano De El Dorado, Phase II

- Phase II has been "re-imagined" from the original concept in view of the new patterns of remote work and shopping. The 14 acre Phase II project in El Dorado Hills would be developed with 330 residential units in six three and four story buildings. An 8,000 square foot clubhouse is included with 604 parking spaces in two parking structures.
- This new revised plan comes in place of the hotel and retail space that previously defined Phase II. It was submitted for review to the County of El Dorado in June 2023.

Bass Lake Hills Masterplan, El Dorado Hills

- Bass Lake Hills is 1,414 acres, with a full buildout of 1,458 housing units, 24 acres of parks and 4 acres of schools. The project has been underway since 2020.



Sugar Pine Village, South Lake Tahoe

El Dorado County Economic Forecast

Economic Indicators

2015-2022 History, 2023-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	182,205	71.9	240	574	223	\$10.9	\$1.4	\$2.1	\$560	\$76,804	5.7	64.9	1.4
2016	182,937	72.2	731	799	230	\$11.6	\$1.5	\$2.2	\$775	\$79,101	5.1	70.7	2.3
2017	184,800	72.9	1,797	819	229	\$12.0	\$1.6	\$2.3	\$835	\$78,772	4.4	73.8	3.0
2018	187,122	74.5	2,296	593	233	\$12.6	\$1.7	\$2.4	\$662	\$78,756	3.6	67.1	3.7
2019	187,905	74.9	727	665	238	\$13.3	\$1.8	\$2.6	\$793	\$80,493	3.5	69.3	2.9
2020	191,032	75.4	3,266	654	237	\$14.3	\$2.0	\$2.8	\$910	\$83,535	8.5	80.7	1.8
2021	191,309	75.9	626	653	240	\$15.2	\$2.2	\$3.1	\$949	\$85,146	5.8	85.5	4.2
2022	189,382	76.4	-1,659	708	235	\$15.4	\$2.3	\$3.4	\$931	\$81,175	3.4	48.8	7.3
2023	189,994	77.0	994	535	236	\$16.3	\$2.4	\$3.3	\$952	\$82,762	3.9	71.7	3.8
2024	190,492	77.5	881	557	237	\$17.2	\$2.4	\$3.4	\$936	\$84,480	3.5	72.2	3.0
2025	191,118	78.1	1,017	695	239	\$18.2	\$2.6	\$3.7	\$940	\$86,649	3.3	74.3	2.8
2026	191,853	78.6	1,141	695	240	\$19.0	\$2.8	\$4.0	\$947	\$88,214	3.4	76.2	2.2
2027	192,509	79.2	1,083	682	241	\$19.9	\$2.9	\$4.1	\$955	\$89,864	3.7	77.1	2.2
2028	193,143	79.7	1,051	624	242	\$20.7	\$3.0	\$4.4	\$958	\$91,466	3.8	75.5	2.1
2029	193,698	80.3	988	626	243	\$21.5	\$3.2	\$4.6	\$972	\$92,824	3.9	78.4	2.1
2030	194,250	80.9	1,030	601	243	\$22.3	\$3.3	\$4.8	\$978	\$93,657	3.9	78.9	2.2
2031	194,654	81.4	911	602	244	\$23.0	\$3.4	\$5.0	\$984	\$94,749	3.9	79.9	2.1
2032	195,076	81.9	954	615	245	\$23.7	\$3.6	\$5.1	\$983	\$95,156	3.8	80.6	2.3
2033	195,473	82.5	988	629	246	\$24.5	\$3.7	\$5.3	\$988	\$96,168	3.9	81.1	1.9
2034	195,810	83.0	983	646	246	\$25.3	\$3.8	\$5.5	\$994	\$97,298	4.0	81.1	2.1
2035	196,167	83.6	1,057	634	247	\$26.2	\$3.9	\$5.7	\$999	\$98,215	4.1	81.2	2.2
2036	196,480	84.1	1,059	619	247	\$27.0	\$4.0	\$5.8	\$999	\$98,689	4.1	81.2	2.6
2037	196,805	84.6	1,117	605	248	\$28.0	\$4.1	\$6.0	\$1,000	\$99,153	4.2	81.3	2.7
2038	197,009	85.2	1,045	592	248	\$28.9	\$4.2	\$6.1	\$1,003	\$99,963	4.3	81.4	2.5
2039	197,166	85.7	1,039	588	248	\$29.8	\$4.3	\$6.3	\$1,002	\$100,385	4.3	81.4	2.7
2040	197,227	86.2	997	581	249	\$30.9	\$4.5	\$6.5	\$1,004	\$101,179	4.4	81.5	2.6
2041	197,260	86.7	1,020	564	249	\$31.9	\$4.6	\$6.6	\$1,009	\$102,246	4.5	81.6	2.2
2042	197,226	87.2	990	557	249	\$32.9	\$4.7	\$6.8	\$1,014	\$103,419	4.3	81.6	2.1
2043	197,146	87.7	980	548	249	\$34.0	\$4.8	\$7.0	\$1,019	\$104,653	4.4	81.6	2.0
2044	197,054	88.2	1,002	538	249	\$35.0	\$5.0	\$7.2	\$1,025	\$106,036	4.4	81.7	1.8
2045	196,882	88.7	957	528	249	\$36.1	\$5.1	\$7.5	\$1,030	\$107,298	4.5	81.8	1.9
2046	196,683	89.2	958	521	249	\$37.2	\$5.3	\$7.7	\$1,033	\$108,425	4.5	81.8	2.0
2047	196,357	89.7	859	513	249	\$38.2	\$5.4	\$7.9	\$1,034	\$109,360	4.5	81.9	2.2
2048	195,956	90.1	809	506	249	\$39.3	\$5.6	\$8.1	\$1,034	\$110,229	4.5	82.0	2.3
2049	195,484	90.6	764	496	248	\$40.5	\$5.8	\$8.4	\$1,037	\$111,417	4.5	82.0	2.0
2050	194,931	91.0	714	485	248	\$41.6	\$6.0	\$8.7	\$1,039	\$112,563	4.5	82.2	2.1

Employment Sectors

2015-2022 History, 2023-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (thousands of jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	52.5	0.5	3.7	2.6	0.7	6.4	4.2	5.0	0.5	7.5	8.8	10.8
2016	54.1	0.3	4.1	2.6	0.8	6.7	4.1	5.4	0.6	7.7	9.0	10.9
2017	56.7	0.3	4.8	2.6	0.7	6.9	4.3	6.1	0.6	8.0	9.7	10.8
2018	58.7	0.3	6.0	2.5	0.7	7.1	4.2	6.2	0.6	8.5	9.5	10.9
2019	59.1	0.3	6.3	2.5	0.8	7.1	3.5	6.4	0.6	8.8	9.5	11.0
2020	54.7	0.3	5.9	2.5	0.8	7.2	3.5	5.8	0.5	8.4	7.5	10.4
2021	56.8	0.3	6.1	2.6	0.9	7.4	3.5	6.4	0.6	8.5	8.4	10.3
2022	58.9	0.3	6.1	2.8	1.0	7.4	3.5	6.3	0.6	8.7	9.6	10.6
2023	60.5	0.3	6.2	2.8	1.0	7.3	3.7	6.6	0.6	9.3	9.6	10.8
2024	61.2	0.3	6.4	2.8	1.0	7.3	3.7	7.0	0.6	9.6	9.8	10.6
2025	62.9	0.3	6.3	2.8	1.0	7.4	3.7	8.0	0.6	9.8	10.1	10.6
2026	64.0	0.3	6.2	2.8	1.0	7.6	3.7	8.5	0.6	10.2	10.3	10.5
2027	64.9	0.3	6.2	2.8	1.0	7.7	3.7	8.9	0.7	10.6	10.4	10.4
2028	65.8	0.3	6.0	2.7	1.0	7.8	3.7	9.3	0.7	11.1	10.4	10.5
2029	66.4	0.4	5.9	2.7	1.0	7.9	3.7	9.4	0.7	11.5	10.4	10.5
2030	67.0	0.4	5.8	2.7	1.1	8.0	3.7	9.5	0.7	11.9	10.4	10.5
2031	67.7	0.4	5.8	2.8	1.1	8.1	3.8	9.6	0.7	12.4	10.5	10.5
2032	68.4	0.4	5.8	2.8	1.1	8.1	3.8	9.7	0.7	12.8	10.5	10.6
2033	69.1	0.4	5.8	2.8	1.1	8.2	3.8	9.7	0.8	13.3	10.5	10.6
2034	69.8	0.4	5.8	2.8	1.1	8.3	3.9	9.8	0.8	13.7	10.5	10.6
2035	70.3	0.4	5.7	2.8	1.1	8.3	3.9	9.9	0.8	14.2	10.5	10.6
2036	70.8	0.4	5.7	2.8	1.1	8.3	3.9	9.9	0.8	14.6	10.5	10.6
2037	71.4	0.4	5.6	2.8	1.1	8.4	3.9	10.0	0.8	15.1	10.6	10.6
2038	71.9	0.4	5.5	2.8	1.1	8.4	4.0	10.1	0.8	15.5	10.6	10.6
2039	72.5	0.4	5.5	2.8	1.1	8.4	4.0	10.1	0.8	16.0	10.6	10.6
2040	73.0	0.4	5.5	2.8	1.1	8.4	4.0	10.2	0.8	16.4	10.6	10.6
2041	73.6	0.4	5.5	2.8	1.1	8.4	4.0	10.3	0.8	16.9	10.7	10.7
2042	74.1	0.4	5.4	2.8	1.1	8.4	4.1	10.3	0.8	17.3	10.7	10.7
2043	74.7	0.4	5.4	2.8	1.1	8.5	4.1	10.4	0.8	17.7	10.7	10.7
2044	75.3	0.4	5.4	2.8	1.1	8.5	4.1	10.4	0.8	18.1	10.7	10.7
2045	75.9	0.4	5.4	2.8	1.1	8.6	4.1	10.5	0.8	18.6	10.8	10.7
2046	76.4	0.4	5.4	2.8	1.1	8.6	4.1	10.5	0.8	19.0	10.8	10.7
2047	77.0	0.4	5.3	2.8	1.1	8.7	4.1	10.6	0.8	19.4	10.8	10.7
2048	77.5	0.4	5.3	2.8	1.1	8.7	4.2	10.6	0.8	19.8	10.8	10.7
2049	78.0	0.4	5.3	2.8	1.1	8.8	4.2	10.7	0.8	20.2	10.8	10.7
2050	78.5	0.4	5.2	2.8	1.1	8.9	4.2	10.7	0.8	20.6	10.8	10.7

El Dorado County Economic Forecast

Socioeconomic Indicators

